For Council Meeting of: January 30, 2024

CITY OF SANTA ROSA CITY COUNCIL

TO: MAYOR AND CITY COUNCIL

FROM: JASON NUTT, ASSISTANT CITY MANAGER

SUBJECT: APPROVAL OF A LEASE AGREEMENT BETWEEN SKIKOS

PROPERTIES, LLC AND THE CITY OF SANTA ROSA FOR A

TEMPORARY POLICE SUBSTATION

ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Police Department and Real Estate Services that the Council, by resolution, approve a lease agreement between Skikos Properties, LLC and the City of Santa Rosa, for an office suite located at 1215 Sebastopol Road (A.P.N.125-091-036) for temporarily locating a police substation, and authorize the City Manager to execute the Lease and any extensions or amendments thereunder.

EXECUTIVE SUMMARY

On December 5, 2023 in closed session, Council gave staff direction to negotiate a lease agreement ("Lease") between Skikos Properties, LLC ("Property Owner") and the City of Santa Rosa for an approximately 500-800 square foot suite ("Premises") located at 1215 Sebastopol Road ("Property"), for use by the Police Department as a temporary substation. Staff has negotiated a Lease within the price and terms given by Council and is now seeking Council approval as well as authorization for the City Manager to execute the Lease and any extensions or amendments thereunder.

BACKGROUND

Roseland was annexed into the City of Santa Rosa in November 2017. Since then, it has been the City's desire to have a more visible police presence in the Roseland Area. The Police Department and Real Estate Services conducted an extensive search of Roseland over the past several months to identify available properties to lease or acquire for purposes of locating a police substation and in July 2023, the City acquired the property located at 470 Sebastopol Road, currently being leased to the Sonoma County Library for use as the temporary location for the Roseland Regional Library ("Library").

APPROVAL OF A LEASE AGREEMENT BETWEEN SKIKOS PROPERTIES, LLC AND THE CITY OF SANTA ROSA FOR A TEMPORARY POLICE SUBSTATION PAGE 2 OF 3

While the Library continues to occupy 470 Sebastopol Road for the near term until it moves to its more permanent location at the Hearn Community Hub, the City sought additional space to lease in order to operate a police substation in the interim.

The Property located at 1215 Sebastopol Road is improved with an 8,104 square foot building zoned General Commercial and has an office suite available for lease that fits the needs and budget of the Police Department for which the Property Owner has agreed to perform tenant improvements to the space ahead of lease commencement. Having a police substation in the location of the Property will allow the City to provide greater community access to the Police Department resources.

PRIOR CITY COUNCIL REVIEW

On December 5, 2023 the City Council, in closed session, was presented with and considered the proposed lease terms for the City's lease of an office suite located at 1215 Sebastopol Road, for use by the Police Department. Council gave staff direction on the negotiation of price and terms.

ANALYSIS

Property Owner and Staff have negotiated, and Staff has secured, a lease agreement within the price and term parameters given by Council as follows:

- 3-year initial term beginning on or before March 1, 2024, with two one-year extension options
- Rent of \$3,500/month for the term of the Lease and Landlord pays for gas and electric, garbage, sewer and water.
- Property Owner performing tenant improvements to Premises ahead of commencement and responsible for exterior maintenance, while City maintains interior Premises.
- City responsible for minimal tenant improvements including running of cable for IT connections and installation of cubicles.

Staff is now bringing the Lease, negotiated within the price and terms approved by Council in closed session, forward for Council consideration and final approval, as well as approval for the City Manager to execute the Lease documents and any amendments or extensions thereunder.

FISCAL IMPACT

Funding for the Lease has been appropriated to General Ledger Account No. 170302 from Measure H Public Safety Special Tax funds allocated to Police.

APPROVAL OF A LEASE AGREEMENT BETWEEN SKIKOS PROPERTIES, LLC AND THE CITY OF SANTA ROSA FOR A TEMPORARY POLICE SUBSTATION PAGE 3 OF 3

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

On April 20, 2023, the Measure H Oversight Committee approved use of Measure H funding for the lease of the Premises.

NOTIFICATION

Not applicable

ATTACHMENTS

• Resolution / Exhibit A - Lease

PRESENTER

Celeste Carranza, Associate Real Property Agent